Newfoundland
Labrador

Board of Directors of the Business Investment Corporation

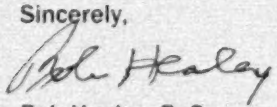
Activity Plan
2008-2011

Message from the Chair

As Chair of the Business Investment Corporation's Board of Directors, I am pleased to present the Board's 2008-2011 Activity Plan. In accordance with the *Transparency and Accountability Act*, this activity plan was prepared under the direction of the Board which is accountable for the achievement of the objectives outlined herein.

The Board of the Business Investment Corporation is classified as a Category 3 Entity under the *Transparency and Accountability Act*. This means the Board must prepare an activity plan that clearly outlines the activities it will undertake, in the timeframe allotted, which is within its mandate and current budget and takes into consideration the strategic directions of Government.

Sincerely,



Bob Healey, B. Comm., CFP, FCA
Chairperson
Business Investment Corporation

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Overview of the Board of Directors and the Business Investment Corporation

The Business Investment Corporation (the Corporation) was established under the authority of the *Business Investment Corporation Act* on April 1, 2002. It operates as a Crown Agency reporting to the Minister of Innovation, Trade and Rural Development.

The Corporation directs the management of the investment and loan portfolio of the Department of Innovation, Trade and Rural Development (INTRD) and administers new investments made through the Small and Medium Enterprise Fund, the Small Business and Market Development Program, the Fisheries Loan Guarantee Program, in partnership with the Department of Finance, and the Shellfish Aquaculture Working Capital Fund.

The affairs of the corporation are managed by an independent Board of Directors (the Board) appointed by the Lieutenant-Governor in Council. The Board is currently comprised of five private sector members and three senior public sector officials. The Board exercises all of the powers and duties of the Business Investment Corporation and administers and manages its business. It meets as necessary in order to fulfil this mandate. A sub-committee of the Board, the Corporate Transaction Committee, chaired by the Corporation's Vice-Chairperson, meets bi-weekly or at the call of the Chair. (The powers of the Corporation, as outlined in Section 8 of the *Business Investment Corporation Act*, are provided in Appendix B).

The Board has delegated authority to Regional Directors of the Department of Innovation, Trade and Rural Development to render decisions on accounts in which total funding outstanding does not exceed $100,000. Similarly, the Corporate Transaction Committee has the authority to render decisions on accounts that exceed the regional limits, up to $500,000. Full Board approval is required on accounts in excess of $500,000. Total funding considered comprises any outstanding debt the client may already owe government, including outstanding principal and unpaid accrued interest.

The Corporation does not have its own staff. INTRD provides administrative support to the Corporation. Departmental staff receives, evaluates, and, depending on the delegated authority outlined above, makes decisions under all programs administered by the Board. Departmental staff also manages the accounting, billing, accountability and other administrative activities of the Corporation. They manage and monitor revenue collections and maintain accounting records for the province-wide portfolio of loans, equity and grants.

The Board does not have a budget allocation. Funding for the Board's programs is provided through the budget of the Department of Innovation, Trade and Rural Development.

Mandate

The Board supports the mandate of the Business Investment Corporation. The Corporation is responsible for the direction and management of the Department's investment and loan portfolio including the administration of new investments made by virtue of four funding programs: the Small and Medium Enterprise Fund, the Small Business and Market Development Program, the Fisheries Loan Guarantee Program (in partnership with the Department of Finance) and the Shellfish Aquaculture Working Capital Fund.

Legislative authority for the Business Investment Corporation resides in the *Business Investment Corporation Act*. The Corporation, as provided for in the *Act*, is responsible for:

> *"... making available and managing investments in small to medium sized private businesses, co-operatives, community development corporations and other enterprises for the purpose of creating employment opportunities for the people of the province."*

Values

The core values explain the character of the organization we promote and the action statements guide behaviour. The core values which guide the behaviour of the Board of Directors of the Business Investment Corporation are as follows:

Effectiveness	Each person makes informed decisions in a timely and professional manner.
Responsiveness	Each person builds relationships of trust and collaboration with other Board members.
Communication	Each person takes initiative to promptly share information with other Board members in support of the Corporation's mandate.

Primary Responsibility to Clients

The primary clients of the Business Investment Corporation are clients of Department of Innovation, Trade and Rural Development and Department of Business. The Corporation's primary responsibility is to its clients by rendering decisions on applications in a timely and efficient manner and, when appropriate, providing funding to those clients to help start and grow small and medium-sized businesses. The Corporation also has a responsibility to clients through the ongoing management of client accounts, which continues for the life of the investment. The Corporation is an Agent of the Crown and in this regard reports to the Minister of Innovation, Trade and Rural Development on its management and administration of the investment portfolio and business activities.

Support of Vision of Department

The vision of the Department of Innovation, Trade and Rural Development is of "a diversified, competitive economy with productive and prosperous regions across the province".

The work of the Board supports the vision of the Department of Innovation, Trade and Rural Development. Through the Business Investment Corporation, the Board provides investments that contribute to a diversified and competitive economy in all regions of the province.

Mission

The mission statement of the department identifies the priority focus area of the Minister over the current planning cycle. It represents the key longer-term result that the Minister and the Board will work towards to achieve the strategic directions of Government.

The mission of the Department of Innovation, Trade and Rural Development is as follows:

> By 2011, the Department of Innovation, Trade and Rural Development will "have stimulated economic and business development to foster regional and provincial prosperity."

Through the Corporation, the Board contributes to the department's mission of stimulating economic and business development by providing funding toward the start-up and growth of small and medium sized businesses and by providing sound financial oversight for the four funding programs under the Corporation's mandate.

Objectives

The Board of Directors of the Business Investment Corporation has the authority to render decisions pertaining to the Small and Medium Enterprise Fund, the Small Business and Market Development Program, the Fisheries Loan Guarantee Program (in partnership with the Department of Finance) and the Shellfish Aquaculture Working Capital Fund.

The Board has two primary functions that will represent the focus of the Board's work over the next three years, namely the administration of new investments and the management of its investment portfolio. In consideration of provincial government's strategic directions as well as the mandate and financial resources of the Business Investment Corporation, the following areas have been identified as the Board's key priorities for the upcoming year. The Board intends to report on these objectives each fiscal year through the Board's annual report.

Administration of New Investments

Objective 1
The Corporation will have provided funding toward the start-up and growth of small and medium sized business.

Measure
Provision of funding to approved applicants

Indicators

- Number of applications reviewed by program
- Number and value of applications approved by program

Investment Portfolio Management

Objective 2
The Corporation will have continued to successfully managed its investment portfolio.

Measure
Successful management of investment portfolio

Indicators

- Percentage of projected revenues collected

Appendices

Strategic Directions

Strategic directions are the articulation of desired physical, social and or economic outcomes and normally require action by more than one government entity. These directions are normally communicated by government through platform documents, Throne and Budget speeches, policy documents, and other communiqués. The *Transparency and Accountability Act* requires departments and public bodies to take into account these strategic directions in the preparation of their performance-based plans. This action will facilitate the integration of planning practices across government and will ensure that all entities are moving forward on key commitments.

A full list of strategic directions for the Department of Innovation, Trade and Rural Development can be found in the department's strategic plan. To view a copy, please visit http://www.gov.nl.ca/intrd/strategicplan.htm.

The strategic direction that relates to the Business Investment Corporation is provided below. Given its mandate, the Corporation plays a direct role in two components of this direction. As indicated through the following table, these components are addressed in the Corporation's activity plan, while the other components are dealt with by other entities reporting to the Minister.

Title: Small and Medium-Sized Enterprise Business Support
Outcome: An environment supportive of enterprise establishment and growth

Components of Strategic Direction	Covered by other entity reporting to the Minister	Board's activity plan
Financing		X
Counseling/information and aftercare	X	
Business intelligence	X	
Business regulatory regime	X	
Business networks	X	

Appendix B

Powers of the Business Investment Corporation

As outlined in Section 8 of the *Business Investment Corporation Act*, the powers of the Corporation are as follows:

(a) Deposit money or securities with a bank, trustee, trust company or other depository;

(b) Appoint agents to act on its behalf for the purpose of this Act and on those conditions that the board shall determine;

(c) Grant or lend money to or provide guarantees on behalf of persons carrying on or proposing to carry on a business or other undertaking in the province;

(d) Pay off or retire existing debts or obligations of a person engaged in a business, where it is necessary to do so in order to improve the security of a loan or other assistance to the person, or in other circumstances the board considers appropriate in keeping with the objects of the corporation;

(e) Take for money loaned or otherwise invested, a security of any nature that the board may consider advisable;

(f) Take, or otherwise acquire and hold the shares, stock, debentures or other securities of a company wherever incorporated and sell or otherwise deal with them;

(g) Take over the assets of and carry on, either alone or in conjunction with another person, as often and for the period that the board may think advisable, the business or a part of the business of a person indebted to the corporation;

(h) Invest and deal with, in the manner that may be determined by the board, the money of the corporation or on deposit with the corporation that is not immediately required;

(i) Draw, make, accept, endorse, execute and issue promissory notes, bills of exchange and other negotiable or transferable instruments; and

(j) Generally, do all things which the corporation considers necessary, convenient or advisable for or incidental to the exercise of the powers and the discharge of the obligations of the corporation.